

SECRET

DPD-0733-59

Copy 9 of 9

26 January 1959

MEMORANDUM FOR : Deputy Director (Plans)

SUBJECT : Funding under Contract No. SP-1918
with Lockheed Aircraft Corporation

1. In accordance with your request at the Staff Meeting data covering dollars expended to date and forecasted through 30 June 1959 is furnished as Appendix A. We have compared the revised estimate with original estimates where possible. As indicated in Appendix A, there are some 40 flight crew members at EAFB. If you desire us to conduct negotiations contemplating a cutback in work this apparently would be the logical place to start since the cost of this personnel alone totals approximately one million dollars (shared with F03). This, of course, would mean curtailing some of the work you discussed with Mr. Johnson on 22 January 1959. While an item like Red Dot tests appears in Appendix A, this was a low priority item and since the crews must be paid while assigned to EAFB, little, if any, additional cost actually resulted from performing these tests in slack periods. The cost of stability tests is being equally shared with F03.

2. A comparison of funding between ourselves and F03 on current Lockheed contracts is as follows:

<u>Contract No.</u>	<u>Scope</u>	<u>F03</u>	<u>CHAL</u>
SP-1917	Kits, replacement parts required from outside contractors, miscellaneous supplies	\$500,000	\$245,000
SP-1918	Subject contract	1,000,000	615,000

(F03 has approved increasing their figure to \$1.5 million, amendment pending our decisions.)

Contracting Officer, DPD

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